## Message Text

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64 R

ORIGIN PM-07

INFO OCT-01 CCO-00 RSC-01 SS-20 SSO-00 ISO-00 EA-11 SPC-03

INR-10 L-03 INRE-00 /056 R

DRAFTED BY PM/SAS - COL. PWIELAND:CT
APPROVED BY T - UNDER SECRETARY DONALDSON
EA/PHL - MR. CUTHELL
EA/RA - CAPT. WARREN
EA - MR. STERNS
PM/SAS - MR. GREY
PM/SAS - MR. JAMES
M-MR. STERN
T - MR. NEWMAN S/S- DWMILLER

----- 043340

Z 090016Z MAR 74 ZFF4 FM SECSTATE WASHDC TO AMEMBASSY MANILA FLASH

SECRETSTATE 047890

TODEP 221

M - MR. WEISS

E.O. 11652: GDS TAGS: MASS, RP SUBJECT: PHILIPPINE - FMS - COLT M-16 PLANT REFS: (A) MANILA 2709; (B) STATE 046161

FOR THE AMBASSADOR FROM UNDER SECRETARY DONALDSON

1. I HAVE TODAY APPROVED THE GOP PROPOSAL FOR CO-PRODUCTION OF M-16 RIFLES, BUT DELETED THE PROVISION THAT ALLOWS FOR PRODUCTION OF 65,000 ADDITIONAL RIFLES FOR EXPORT. WE ARE PREPARED TO MAKE AVAILABLE 8,622,000 DOLLARS IN DIRECT FMS CREDITS IN FY 1974 SUBJECT TO THE SIGNING OF AN APPROPRIATE MEMORANDUM OF UNDERSTANDING, DRAFT TEXT OF WHICH WILL BE SENT BY STATE CABLE FOR YOUR REVIEW AND COMMENTS.

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- 2. MEANWHILE, AIMING TOWARD MARCH 17 DEADLINE, WE MUST PROCESS MULTI-YEAR COMMITMENT FOR PROJECT THROUGH ALL INTERESTED AGENCIES TO OMB PRIOR TO FORMALLY NOTIFYING GOP THAT PROJECT IS APPROVED. THE GOP MUST BE MADE TO UNDERSTAND THAT THE PREVIOUSLY REQUESTED FMS CREDIT FOR THIS PROJECT FOR FY 1974 AND FY 1975 ARE THE MAXIMUM FMS LEVELS THAT WILL BE MADE AVAILABLE TO THEM DURING THESE TWO YEARS, AND FURTHER, THAT THE FY 1975 TRANCHE IS SUBJECT TO CONGRESSIONAL APPROPRIATION OF ADEQUATE NOA FOR FMS CREDIT.
- 3. FINALLY, GOP MUST ALSO BE FULLY AWARE THAT BALANCE OF 29.4 MILLION DOLLARS COST OF PROJECT WILL BE BORNE BY GOP. KISSINGER

SECRET

NNN

## Message Attributes

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**Current Classification: UNCLASSIFIED** 

Concepts: ARMS, INDUSTRIAL PLANTS, PROGRAMS (PROJECTS), CREDIT AGREEMENTS, APPROPRIATIONS

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TAGS: MASS, RP To: MANILA

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